

# **REPORT OF THE COMMITTEE ON ZONING AND HOUSING**

## **Voting Members:**

Kymberly Marcos Pine, Chair; Carol Fukunaga, Vice-Chair;  
Ikaika Anderson, Michael Formby, Ron Menor, Heidi Tsuneyoshi

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Committee Meeting Held  
February 28, 2019

Honorable Ann H. Kobayashi  
Interim Chair, City Council  
City and County of Honolulu

Madam Chair:

Your Committee on Zoning and Housing, which considered Resolution 19-19 entitled:

**"RESOLUTION AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO THE 902 ALDER STREET AFFORDABLE HOUSING DEVELOPMENT AND JUVENILE SERVICES CENTER AND SHELTER PROJECT AT HONOLULU, OAHU, HAWAII, TAX MAP KEY 2-3-012: 019,"**

transmitted by Departmental Communication 64 (2019) from the Department of Planning and Permitting ("DPP"), dated January 30, 2019, reports as follows:

The purpose of the Resolution is to authorize, pursuant to Section 201-H38 of the Hawaii Revised Statutes ("HRS"), exemptions from certain fees, construction, and development requirements relating to an affordable multi-family rental housing project and a new Juvenile Services Center on 1.45 acres of land located at 902 Alder Street in Honolulu, owned by the State of Hawaii (the "Project").

The DPP processed the 201H application, and transmitted the requested exemptions to the Council by Departmental Communication 64 (2019), dated January 30, 2019, and Departmental Communication 104 (2019), dated February 15, 2019.

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON **MAR 8 2019**

COMMITTEE REPORT NO. **61**

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## **PROJECT DESCRIPTION**

The Project involves the demolition of the two existing buildings, and the development of a new Juvenile Services Center (the "Center"); a 20-story, 201-unit affordable rental housing tower (the "Tower"); and a six-story 263-stall parking podium (the "Podium").

The Project provides for 200 affordable rental dwelling units (99.5 percent of the total units), which will be affordable to households earning 60 percent and below of the area median income ("AMI") for Honolulu, and remain affordable for a period of 72 years. Of the 200 affordable rental units, 10 will be affordable to households earning 30 percent or below of the AMI.

The Center will be operated by the State Department of Justice, and the Tower will be operated by the Applicants or their managing agent.

## **REQUESTED EXEMPTIONS**

The Resolution authorizes exemptions from plan review fees, building permit fees, wastewater system facility charges, water system facility charges, private storm drain connection fees, park dedication requirements, and certain Land Use Ordinance ("LUO") development standards.

## **TESTIMONY**

At your Committee's meeting on February 28, 2019, the Applicant and the Applicant's agent provided a brief presentation of the Project. The DPP Deputy Director testified in support of the Project. No public testimony was received on the Resolution.

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CITY AND COUNTY OF HONOLULU  
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The Board of Water Supply commented that the exemption from wastewater system facility charges is limited to 500 units and is determined at the building permit stage.

## DISCUSSION OF EXEMPTIONS

Your Committee's members agreed that the Project would be an important step towards meeting Honolulu's affordable housing goals.

## COMMITTEE AMENDMENTS

Your Committee prepared a CD1 version of the Resolution, which makes the following amendments:

- A. In the first WHEREAS clause, corrects the name of the development entity.
- B. In the first, second, and third WHEREAS clauses, clarifies the description of the Project.
- C. Adds a new fourth WHEREAS clause, which provides that the Project is eligible to receive consideration under the City's rules regulating 201H projects.
- D. In the sixth WHEREAS clause, provides the Council received the Project's preliminary plans and outline specifications on February 19, 2019 by Departmental Communication 104 (2019).
- E. In the last WHEREAS clause, clarifies that the Project meets the intent of HRS Chapter 201H, and the minimum requirements of health and safety.

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CITY AND COUNTY OF HONOLULU  
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Committee Meeting Held  
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- F. Reorganizes the exemptions authorized under the Resolution into the following categories:
- Application Fees and Infrastructure and/or Public Works Fees and Charges
  - Fire Department Plan Review Fees
  - Board of Water Supply Rules and Regulations
  - Park Dedication Ordinance Requirements
  - Land Use Ordinance
- G. Clarifies the language for the exemptions and details the extent of the exemptions requested.
- H. Adds a new Exemption 4, which provides an exemption from ROH Sections 14-10.1 and 14-10.3, to allow an exemption from payment of wastewater system facility charges, estimated at \$972,552. Renumbers subsequent exemptions.
- I. Deletes the provision that allows building permits for the Project to be reviewed for compliance with the less restrictive BMX-3 District development standards (instead of the A-2 District standards).
- J. Moves the condition of approval requiring the Applicant to execute a development agreement from the BE IT RESOLVED clause (which enumerates authorized exemptions) to the first BE IT FURTHER RESOLVED clause.
- K. Moves the condition of approval requiring the Applicant to provide the number of bicycle parking spaces required under the LUO from the BE IT RESOLVED clause (which enumerates authorized exemptions) to the first BE IT FURTHER RESOLVED clause.

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## **CITY COUNCIL**

CITY AND COUNTY OF HONOLULU  
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ADOPTED ON **MAR 8 2019**

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- L. Adds a new second BE IT FURTHER RESOLVED clause to provide that references to specific statutes, ordinances, or regulations include any respective successor statutes, ordinances or regulations.
- M. In the fifth BE IT FURTHER RESOLVED clause, adds that the final plans and specifications for the Project constitute the zoning, building, construction, and subdivision standards for the Project.
- N. Adds a new seventh WHEREAS clause, which provides that the DPP Director is authorized to execute a development agreement pursuant to terms, conditions, and provisions approved as to form and legality by the Corporation Counsel as necessary, advisable, or desirable for the purpose of carrying out the resolution.
- O. Makes miscellaneous technical and nonsubstantive amendments.

## COMMITTEE FINDINGS AND RECOMMENDATIONS

Your Committee finds that the housing benefits to be provided by the Project justify the exemptions authorized by this Resolution, as amended in the foregoing CD1. Accordingly, your Committee acts favorably on this Resolution, as amended.

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON MAR 8 2019

COMMITTEE REPORT NO. 61

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Your Committee on Zoning and Housing is in accord with the intent and purpose of Resolution 19-19, as amended herein, and recommends its adoption in the form attached hereto as Resolution 19-19, CD1. (Ayes: Pine, Formby, Fukunaga, Menor - 4; Ayes with reservations: - None; Noes: None; Excused: Anderson, Tsuneyoshi - 2.)

Respectfully submitted,

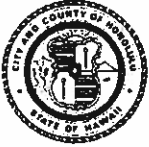
  
Committee Chair

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CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON MAR 8 2019

COMMITTEE REPORT NO. 61



## RESOLUTION

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AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO THE 902 ALDER STREET AFFORDABLE HOUSING DEVELOPMENT AND JUVENILE SERVICES CENTER AND SHELTER PROJECT AT HONOLULU, OAHU, HAWAII, TAX MAP KEY 2-3-012: 019.

WHEREAS, the Kobayashi Group, LLC, and its development entity, MK Alder Street, LLC (the "Applicants"), propose to develop an affordable rental housing project and Juvenile Services Center on 1.45 acres of land zoned A-2 Medium Density Apartment District, owned by the State of Hawaii, and located at 902 Alder Street in Honolulu, identified as Tax Map Key 2-3-012: 019, as shown generally on Exhibits A through D (the "Project"); and

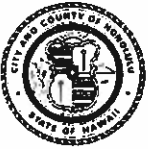
WHEREAS, the Project involves the demolition of the two existing buildings and the development of a new Juvenile Services Center (the "Center"); a 20-story, 201-unit affordable rental housing tower (the "Tower"); and a six-story 263-stall parking podium (the "Podium"); and

WHEREAS, the Applicants will provide 200 dwelling units (99.5 percent of the total units) as affordable rental units, which will be affordable to households earning 60 percent and below of the area median income ("AMI") for Honolulu, and remain affordable for a period of 72 years. Of the 200 affordable rental units, 10 will be affordable to households earning 30 percent or below of the AMI; and

WHEREAS, the Project is eligible to receive consideration under the City's rules regulating implementation of Section 201H-38 of the Hawaii Revised Statutes ("HRS"), which require that at least 50 percent of a project's total units must be available to households earning at or below 80 percent of the AMI; and

WHEREAS, the City Council is empowered and authorized to approve the Project, which may include exemptions from statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivision, development and improvement of land, and the construction of units thereon pursuant to HRS Sections 46-15.1 and 201H-38; and

WHEREAS, the City Council has reviewed the preliminary plans dated August 30, 2018 and September 1, 2018, and outline specifications dated October 2018, prepared for the Project by Design Partners Inc. and R.M. Towill Corporation, and submitted to the Council by the Department of Planning and Permitting ("DPP") on February 19, 2019 by Departmental Communication 104 (2019); and



## RESOLUTION

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WHEREAS, the Project is consistent with the housing and community development goals and objectives of the City; and

WHEREAS, the granting of the exemptions is necessary for the timely and successful implementation of the Project; and

WHEREAS, the exemptions meet the intent of HRS Chapter 201H, and the minimum requirements of health and safety; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves the Project, which approval includes exemptions from certain requirements for the Project as set forth in the preliminary plans and specifications referenced above, as generally identified below:

### Application Fees and Infrastructure and/or Public Works Fees and Charges

1. Exemption from Section 18-6.1 of the Revised Ordinances of Honolulu 1990 ("ROH"), to allow an exemption from payment of plan review fees, estimated at \$25,000.
2. Exemption from ROH Section 18-6.2, to allow an exemption from payment of building permit fees, estimated at \$296,800.
3. Exemption from ROH Section 14-14.4, to allow an exemption from grading, grubbing, and stockpiling permit fees, estimated at \$8,000.
4. Exemption from ROH Sections 14-10.1 and 14-10.3, to allow an exemption from payment of wastewater system facility charges, estimated at \$972,552.
5. Exemption from ROH Section 14-12.12(f) to allow an exemption from the private storm drain connection license fee, estimated at \$200.

### Fire Department Plan Review Fees

6. Exemption from ROH Section 20-1.1, to allow an exemption from Fire Department plan review fees, estimated at \$29,680.

### Board of Water Supply ("BWS") Rules and Regulations

7. Exemption from Sections 1-102, 2-202(2) and 2-202(3) of the BWS Rules and Regulations, to allow an exemption from payment of water system facility fees





## RESOLUTION

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attributed to the affordable dwelling units. The amount of the exemption will be determined by the BWS during the building permit review process.

### Park Dedication Ordinance Requirements

8. Exemption from ROH Chapter 22, Article 7, to allow an exemption from park dedication requirements for the Project's affordable housing component, totaling approximately 22,110 square feet of park space, or payment of an equivalent in-lieu fee, estimated at \$4,532,550.

### Land Use Ordinance ("LUO")

9. Exemption from LUO Section 21-3.80-1(b) and Table 21-3.3 to allow a Project floor area ratio ("FAR") of approximately 3.16 (instead of an FAR of 1.9).
10. Exemption from LUO Section 21-3.80-1(b) and Table 21-3.3 to allow a Project lot coverage of approximately 61 percent or 38,400 square feet (instead of approximately 40 percent or 25,272 square feet).
11. Exemption from LUO Section 21-3.80-1(b) and Table 21-3.3 to allow a Project maximum building height of 178.5 feet (instead of a 150-foot height limit).
12. Exemption from LUO Section 21-4.30 to allow the construction of a new 10-foot-high security wall for the Center in the front and side yards; provided that all other walls, including privacy walls, may not exceed the six-foot height limit for walls located in yards.
13. Exemption from LUO Table 21-6.20 and Table 21-6.3, to allow the Project to provide a total of 263 off-street parking stalls, which is 99 fewer than the required 362 off-street parking stalls.
14. Exemption from LUO Section 21-6.120(b), to allow the large loading space at the porte cochere on Alder street to have a vertical clearance of 11.5 feet (instead of the required 14-foot vertical clearance).
15. Exemption from LUO Section 21-6.130(f) to allow loading space maneuvering areas to encroach into the front yard; and



## RESOLUTION

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BE IT FURTHER RESOLVED that the approval of the foregoing exemptions is subject to the following conditions:

- A. The Applicants shall execute a development agreement that includes terms, conditions, and provisions to facilitate the efficient development and monitoring of the Project, and to ensure the Project's compliance with the requirements of HRS Chapter 201H and this resolution, including the Exhibits attached hereto; and
- B. The Applicants shall provide 109 long-term and 38 short-term off-street bicycle parking spaces on the Project site in compliance with LUO Section 21-6.150; and

BE IT FURTHER RESOLVED that references to specific statutes, ordinances, or regulations include any respective successor statutes, ordinances or regulations; and

BE IT FURTHER RESOLVED that this resolution is null and void unless construction of the Project commences no later than 24 months after the effective date of this resolution; and

BE IT FURTHER RESOLVED that the exemptions granted for this Project are not transferable to any other real property; and

BE IT FURTHER RESOLVED that the final plans and specifications for the Project constitute the zoning, building, and construction standards for the Project and are approved if those plans and specifications do not substantially deviate from the preliminary plans and outline specifications submitted to the Council; provided that minor modifications to the design character or specifications of the building or landscaping, may be approved by the DPP, if such modifications are consistent with the prevailing neighborhood character; and

BE IT FURTHER RESOLVED that no action may be prosecuted or maintained against the City and County of Honolulu, its officials or employees, on account of actions taken by them in reviewing or approving the plans and specifications, or in granting the exemptions listed herein; and

BE IT FURTHER RESOLVED that the Director of Planning and Permitting is authorized to execute the development agreement referenced above, pursuant to terms, conditions, and provisions approved as to form and legality by the Corporation Counsel as necessary, advisable, or desirable for the purpose of carrying out this resolution; and



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 19-19, CD1

## RESOLUTION

BE IT FURTHER RESOLVED that the Director of Planning and Permitting is authorized to execute any incidental or related documents to carry out the transactions described above, so long as said documents do not increase either directly or indirectly the financial obligations of the City; and

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to: Kathy K. Sokugawa, Acting Director, Department of Planning and Permitting, 650 South King Street, 7th Floor, Honolulu, Hawaii 96813; Kobayashi Group, LLC, 1288 Ala Moana Boulevard, Suite 201, Honolulu, Hawaii 96814; and Keith Kurahashi, R.M. Towill Corporation, 2024 North King Street, Suite 200, Honolulu, Hawaii 96819.

INTRODUCED BY:

Ann Kobayashi (br)

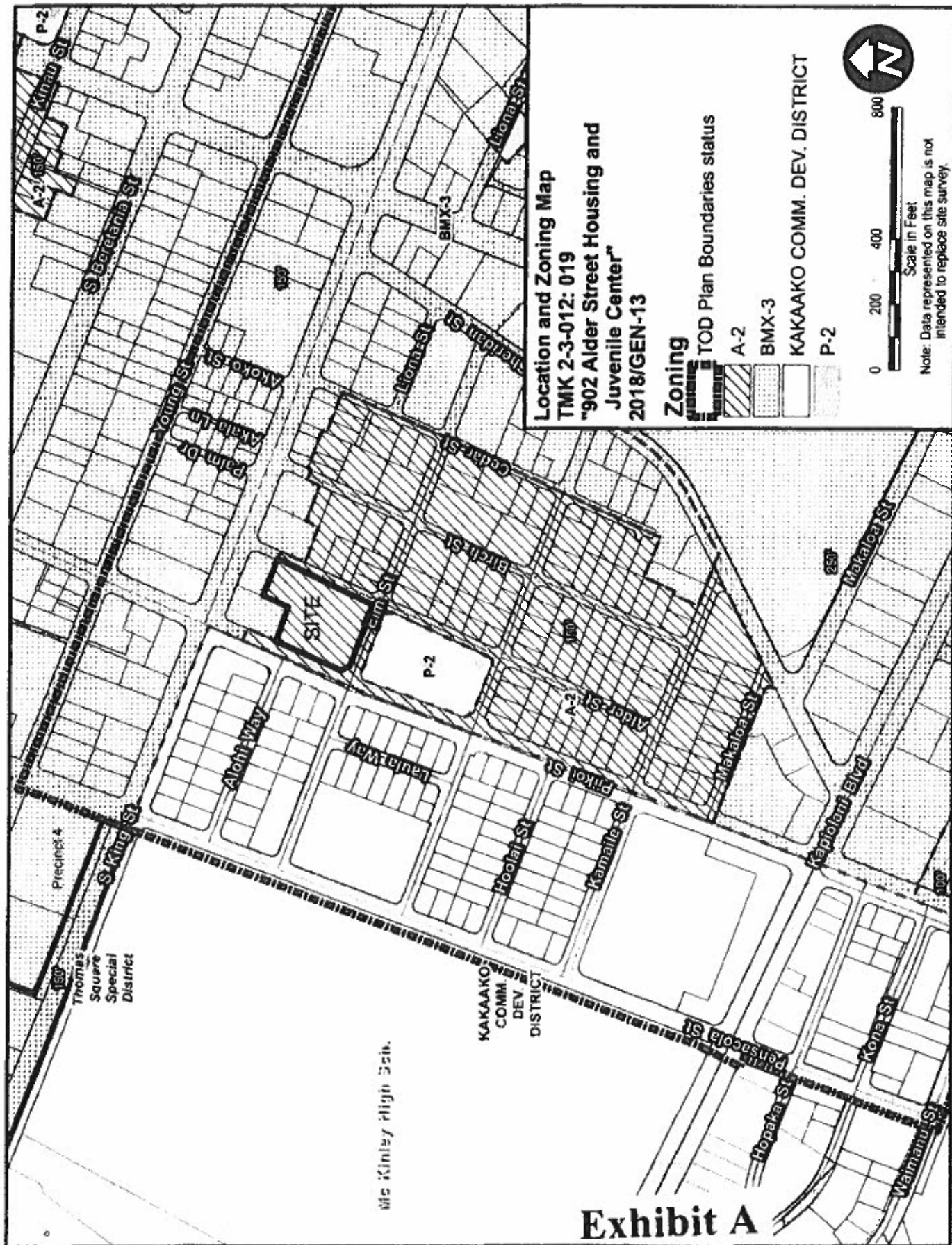
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DATE OF INTRODUCTION:

February 4, 2019

Honolulu, Hawaii

Councilmembers



**Exhibit A**

**CONCRETE: THE SOLUTION**



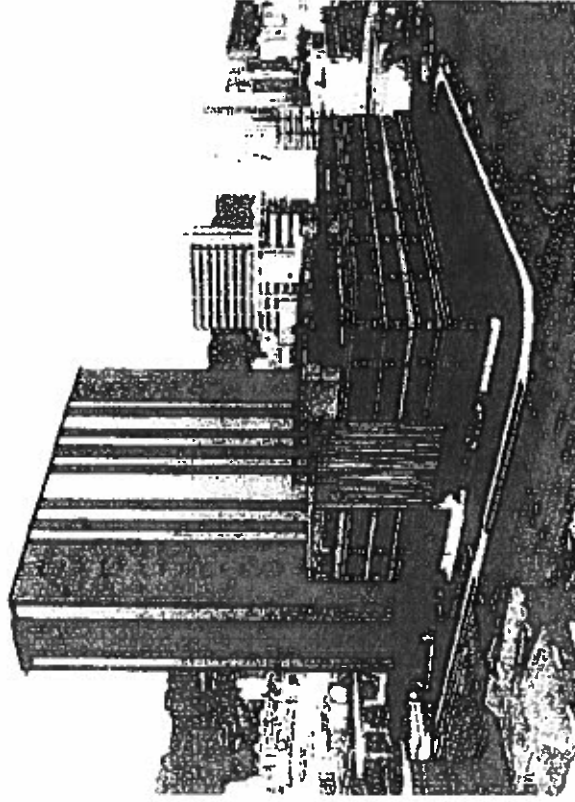
902 ALDER STREET  
ST. LOUIS, MO. 63104

## Exhibit B



# 902 ALDER STREET

MIXED-USE DEVELOPMENT  
FOR  
AFFORDABLE RENTAL HOUSING &  
JUVENILE SERVICES CENTER / SHELTER



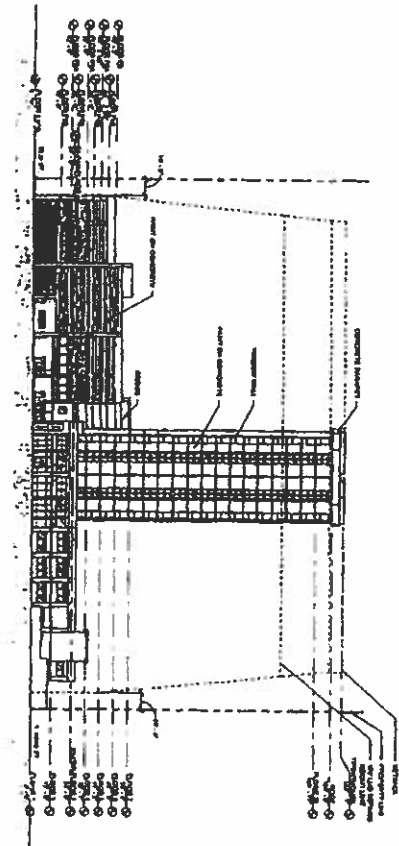
902 ALDER STREET  
HONOLULU, HAWAII 96814

SCHEMATIC DESIGN PACKAGE  
31 AUGUST 2018

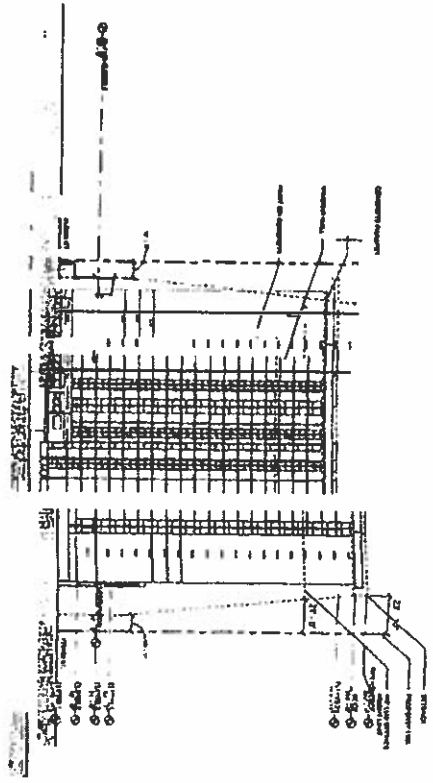
GI-001

SCHEMATIC DESIGN

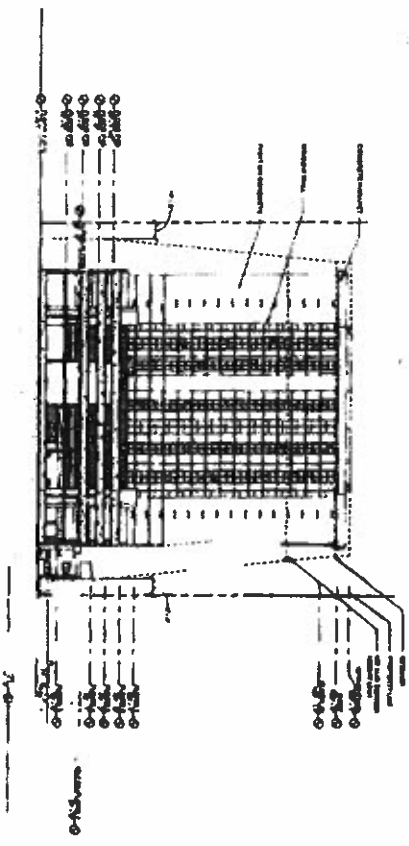
Exhibit C



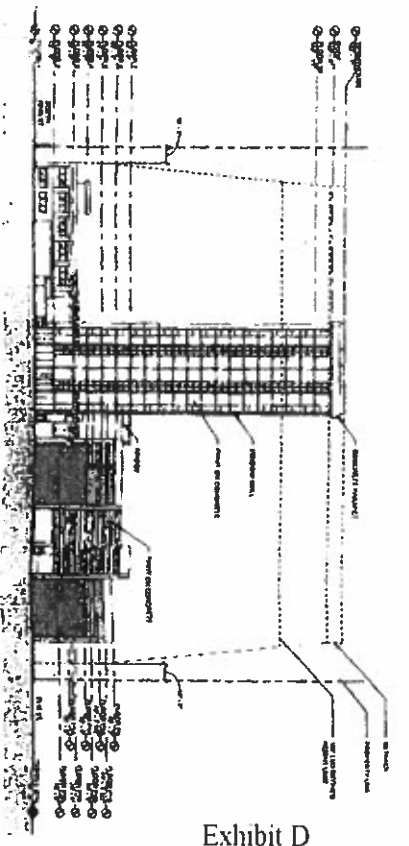
3 OVERALL BUILDING ELEVATION - SOUTH



1 OVERALL BUILDING ELEVATION - EAST



4 OVERALL BUILDING ELEVATION - WEST



2 OVERALL BUILDING ELEVATION - NORTH

Exhibit D

902 ALDER STREET

APPROPRIATE RENTAL, HOUSING & AFFORDABLE SERVICES CENTER

DESIGNED BY	DATE
DRAWN BY	DATE
CHECKED BY	DATE
APPROVED BY	DATE
PROJECT NO.	
SCALE	



CLARK